

Comparative Local Tax Rates
Loudoun County and Northern Virginia Jurisdictions, 2003
(Per \$100 assessed value)

<u>Tax</u>	<u>Loudoun</u> <u>County</u>	<u>Alexandria</u>	<u>Arlington</u> <u>County</u>	<u>Fairfax</u> <u>County</u>	<u>Prince</u> <u>William</u> <u>County</u>
Real Property (1)	\$1.11	\$1.035	\$0.978	\$1.16	\$1.16
Sales or Use (2)	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Machinery & Tools (3)	\$2.75	\$4.50	\$4.40	\$4.57	\$3.70
Personal Property (4)	\$4.20	\$4.75	\$4.40	\$4.57	\$3.70
Aircraft	\$0.01	--	--	\$0.01	Exempt
Gross Receipts (5)					
Wholesale*	\$0.05	\$0.05	\$0.08	\$0.04	\$0.05
Research & Development	\$0.17 [†]	\$0.35 [†]	\$0.36	\$0.31 [†]	\$0.21
Business Services	\$0.17 [‡]	\$0.35	\$0.35	\$0.19	\$0.21
Software Development (6)	Exempt	\$0.35	\$0.36	\$0.19	\$0.21
Professional Services	\$0.33	\$0.58	\$0.36	\$0.31	\$0.33
Retail	\$0.17	\$0.20	\$0.20	\$0.17	\$0.17

Source: Loudoun County Department of Economic Development

*Based on gross purchases rather than gross receipts

[†] Prime Contractors receiving Federal Appropriations for R&D may qualify for \$0.03 rate

[‡] Reduced to \$0.15/\$100 for computer information online service providers

[‡] Reduced to \$0.05/\$100 for commercial aircraft leasing

Notes:

(1) Fairfax & Loudoun have an additional \$0.20/\$100 surcharge in Route 28 Tax District. In addition, Fairfax County has an additional real estate levy of \$0.03 to \$0.06 per \$100 of assessed value in some districts. Prince William County has levies of \$.004 to \$.0768 per \$100 of assessed value.

(2) Manufacturing and research and development firms are exempt from payment of this tax on machinery and tools and on all expendable material purchased for use or consumption directly in manufacturing in experimental or laboratory purposes.

(3) This tax is imposed on equipment of manufacturers used in the manufacturing process and equipment used in an R&D business.

(4) In Loudoun County this tax is imposed on 50% of the property cost the first year, decreasing 10% per year to 10% the fifth year and thereafter. In Fairfax and Arlington Counties and Alexandria City this tax is imposed on 80% of the property cost the first year, decreasing 10% per year to 20% in the seventh year and thereafter for all equipment other than computers. In Prince William County, property other than computers is assessed at 85% of cost the first year, and decreases 10% annually. Manufacturing inventories are exempt from personal property taxation in all jurisdictions. Manufacturing firms are exempt from this tax on non-manufacturing equipment. In Loudoun County, a rate of \$2.75 per \$100 is assessed on the tangible personal property of a research and development firm. In Prince William County, a rate of \$1.00 per \$100 (plus levies) is imposed on the tangible personal property of a research and development firm.

(5) Each county institutes its own gross receipts threshold above which Business Professional and Occupational License taxes are assessed. Virginia localities are prohibited from taxing the gross receipts of manufacturers for sales at wholesale from the place of manufacture. Other business types are shown.

(6) Software development for license, sale, or lease is exempt from BPOL (Business Professional and Occupational License).

While information in this report is correct to our knowledge, we recommend verifying your particular tax situation with each jurisdiction as needed.

Historical Real Property Tax Rates for Loudoun County:

1995--\$1.02, 1996--\$0.99, 1997--\$1.03, 1998--\$1.06, 1999--\$1.11, 2000--\$1.08, 2001--\$1.08, 2002--\$1.05